

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1676 - SB 1385**

March 3, 2011

**SUMMARY OF BILL:** Requires the Department of Economic and Community Development (ECD) to award a Community Development Block Grant (CDBG) to the Tennessee contractor with the lowest bid unless such contractor's bid is more than ten percent greater than the lowest bidder.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Other Fiscal Impact – Approximately \$27,000,000 in federal funds could be jeopardized as a result of non-compliance with federal laws, rules, and regulations regarding the distribution of CDBG funds. Federal regulations require CDBG funds to be awarded to communities.**

Assumptions:

- According to ECD, all CDBG funds are awarded to communities pursuant to federal regulations. The contracts awarded in performance of those grants are then awarded by the communities, pursuant to purchasing laws. ECD does not award contracts through the CDBG program.
- According to ECD, the \$27,000,000 in federal funds that ECD awards to communities through the CDBG program could be jeopardized.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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